



E1-6767

March 7, 2008

Grace Whedbee
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EXTERNAL AFFAIRS

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Dear Ms. Whedbee:

This letter is in response to your March 6, 2008, inquiry regarding the accuracy of claims made verbally by Houston Councilman Roger Purcell during the Surface Transportation Board (STB) public scoping meeting held March 3 at Knik Elementary School in Wasilla.

The Alaska Railroad has not "struck a deal" with the City of Houston to build a siding along the current rail alignment, develop a passenger depot, or construct a light industrial loading / unloading facility. The Port MacKenzie Rail Extension project opens up many possibilities for economic development, and perhaps Mr. Purcell was discussing a scenario that he prefers. However, I can assure you that a route has not been selected, nor have related infrastructure decisions been made (or promised).

I would like to clarify the mention of a siding being added as part of the Port MacKenzie project. This is in fact true, but not for the reasons that you heard suggested. Wherever the rail extension will tie into the mainline (whether it be Big Lake, Houston or Willow) there will need to be a siding. This siding would not be constructed specifically to accommodate a passenger depot or freight loading/unloading activity. Rather, it would be needed to stage trains that are moving from the main line into and out of the rail extension.

The scoping meeting that you and Mr. Purcell attended marks the beginning of a thorough process that will analyze the pros and cons, impacts and mitigations, of several route alternatives. The Environmental Impact Statement (EIS) process will take into account a myriad of economic, social, recreational and environmental impacts. Along the way, the STB will undoubtedly seek input from local governments, appropriate agencies, and Alaskans who are impacted and/or interested.

Until the EIS process is complete, it is premature and imprudent to predict selection of one route over the others, or to use such a prediction to pledge associated capital improvements. The Alaska Railroad would do neither.

Again, thank you for your interest in the Alaska Railroad and the Port MacKenzie Rail Extension project. We appreciate your efforts to stay informed and to participate.

Sincerely,

Stephenie Wheeler, Public Involvement Officer

cc: David Navecky, Surface Transportation Board